



U.S. DEPARTMENT OF
ENERGY



Acquisition and Project Management Continuous Improvement



EM *Environmental Management*

safety ❖ performance ❖ cleanup ❖ closure

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GAO Criteria to Demonstrate Success



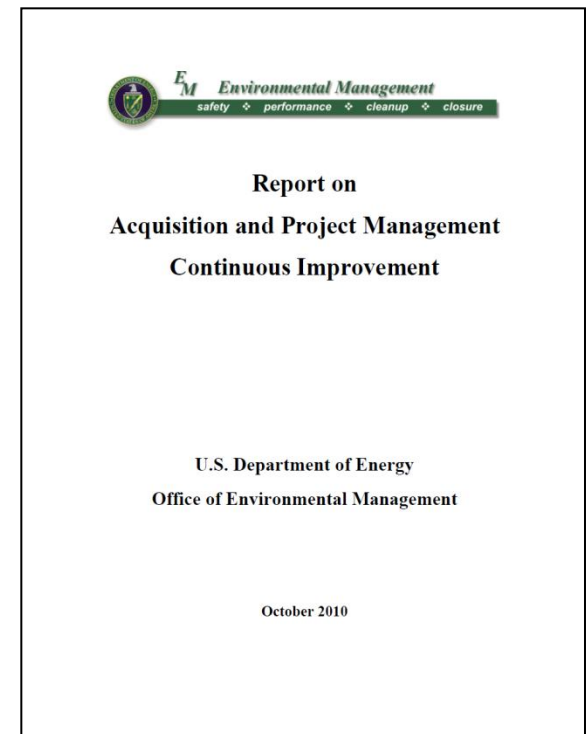
High-Risk List: Department of Energy Contract Management

Criteria Agencies Must Meet Before High-Risk Designations Can Be Removed	DOE Has	
	Met Criteria	Not Yet Met Criteria
Demonstrate strong commitment and leadership	<input checked="" type="checkbox"/>	
Demonstrate progress in implementing corrective measures	<input checked="" type="checkbox"/>	
Develop a corrective action plan that identifies root causes, effective solutions, and a near-term plan for implementing the solutions	<input checked="" type="checkbox"/>	
Have the capacity (people and resources) to resolve the problems		<input checked="" type="checkbox"/>
Monitor and independently validate the effectiveness and sustainability of corrective measures		<input checked="" type="checkbox"/>



Significant Effort Expended

- Project and Contract Management improvement history
 - 2004 Congressional Budget Request initiatives
 - 2006 National Academy of Public Administration (NAPA)
 - 2007 Best-In-Class Initiative (BIC)
 - 2008 DOE Root Cause Analysis (RCA)
 - 2009 EM Corrective Action Plan (EM CAP)
- Significant results achieved
 - System of policies, procedures and processes
 - EM Portal for immediate electronic access of guidance and data
 - Internal and external resources increased; capability and capacity
 - Quality Assurance Program implementation
 - Project and Contract **PERFORMANCE**



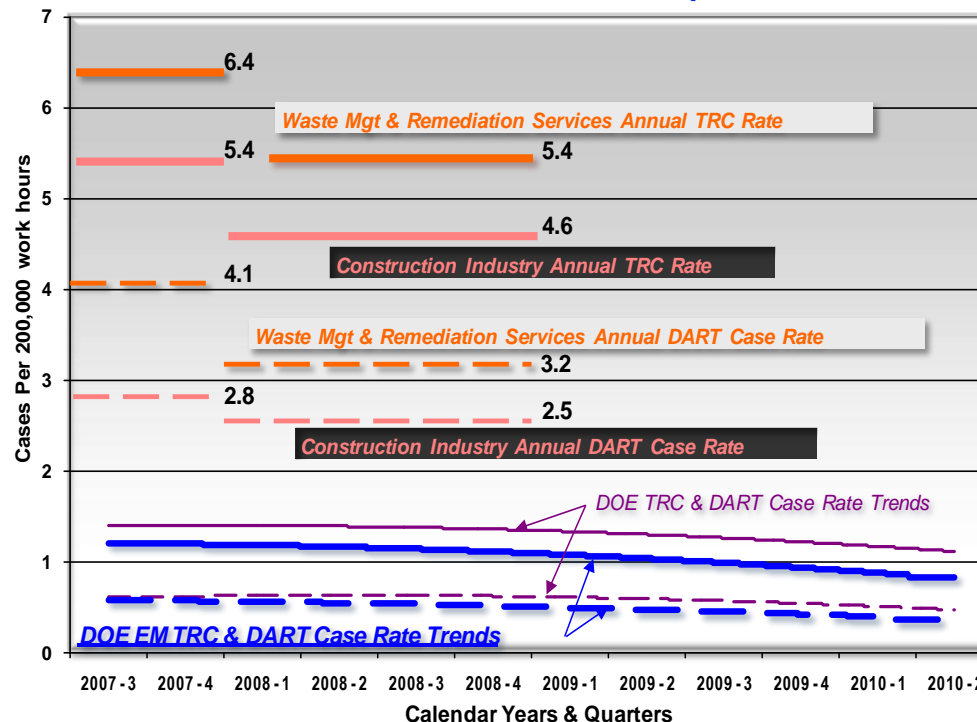
EM Demonstrates Progress

- EM Mission involves difficult and dangerous work
- Safety is always our first priority

“Work which cannot be done safely, will not be done.”

- Safety continues to improve, even with challenges of Recovery Act

DOE / EM / Construction & Waste Disposal Industries
TRC & DART Case Rate Comparisons



DART Case: Lost Work Days Cases - Days Away from work, Restricted or on job Transfer (DART) case rate per 200,000 work hours.

TRC: Occupational Injury Safety - Total Recordable Case (TRC) rate per 200,000 work hours.

*This DOE data is collected in the Computerized Accident & Injury Reporting System (CAIRS). Data as of October 8, 2010

** Industry rates taken from NAICS code 23 and 562 of the Bureau of Labor Statistics 2008 Industry Injury and Illness Data.

1.14
0.93
0.48
0.42
Latest Reported Quarterly Rates



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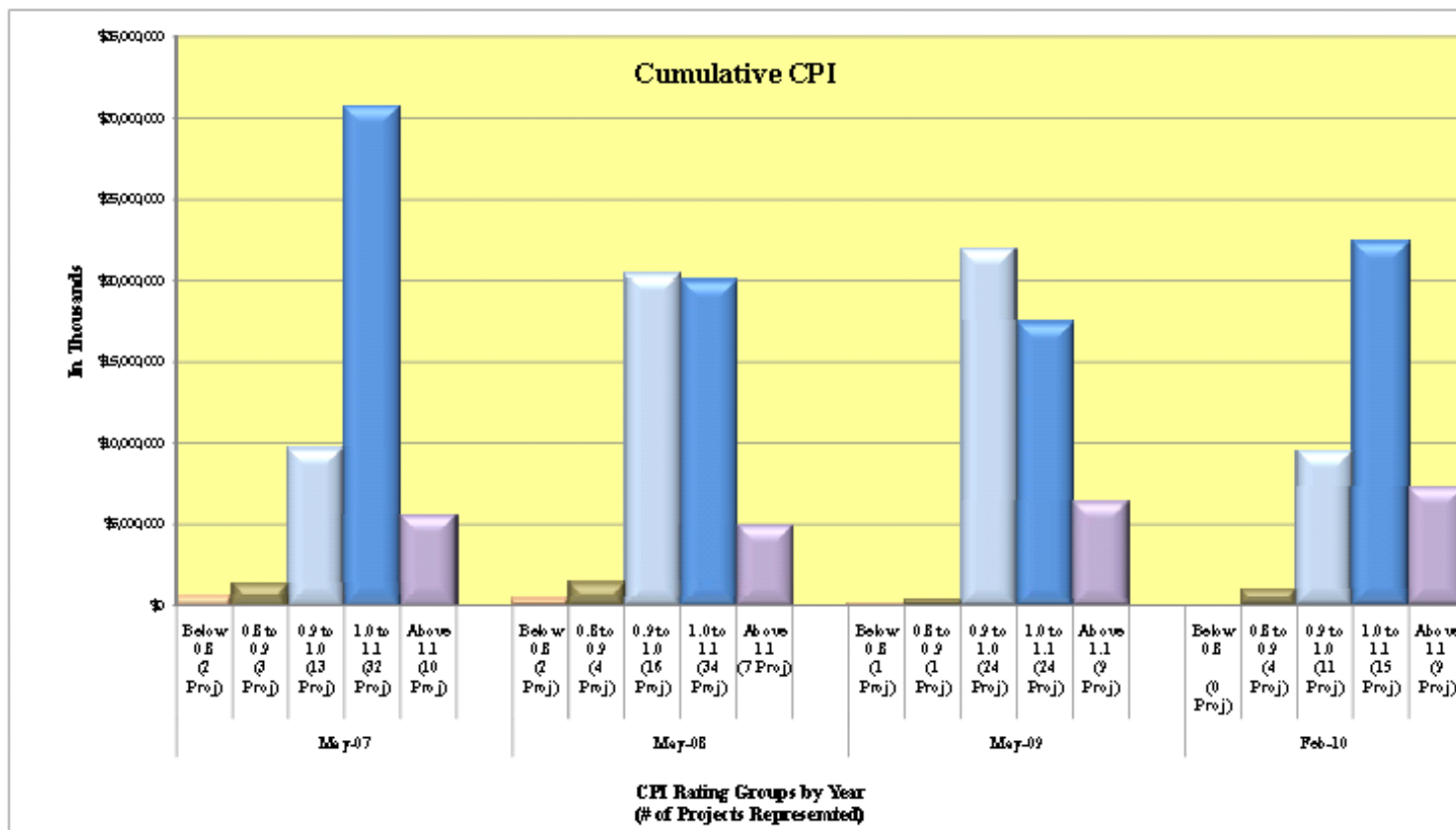
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EM Demonstrates Progress

- CPI improvement trend 2007 to 2010

(PBS data from PARS, pre-restructuring, against current baseline)



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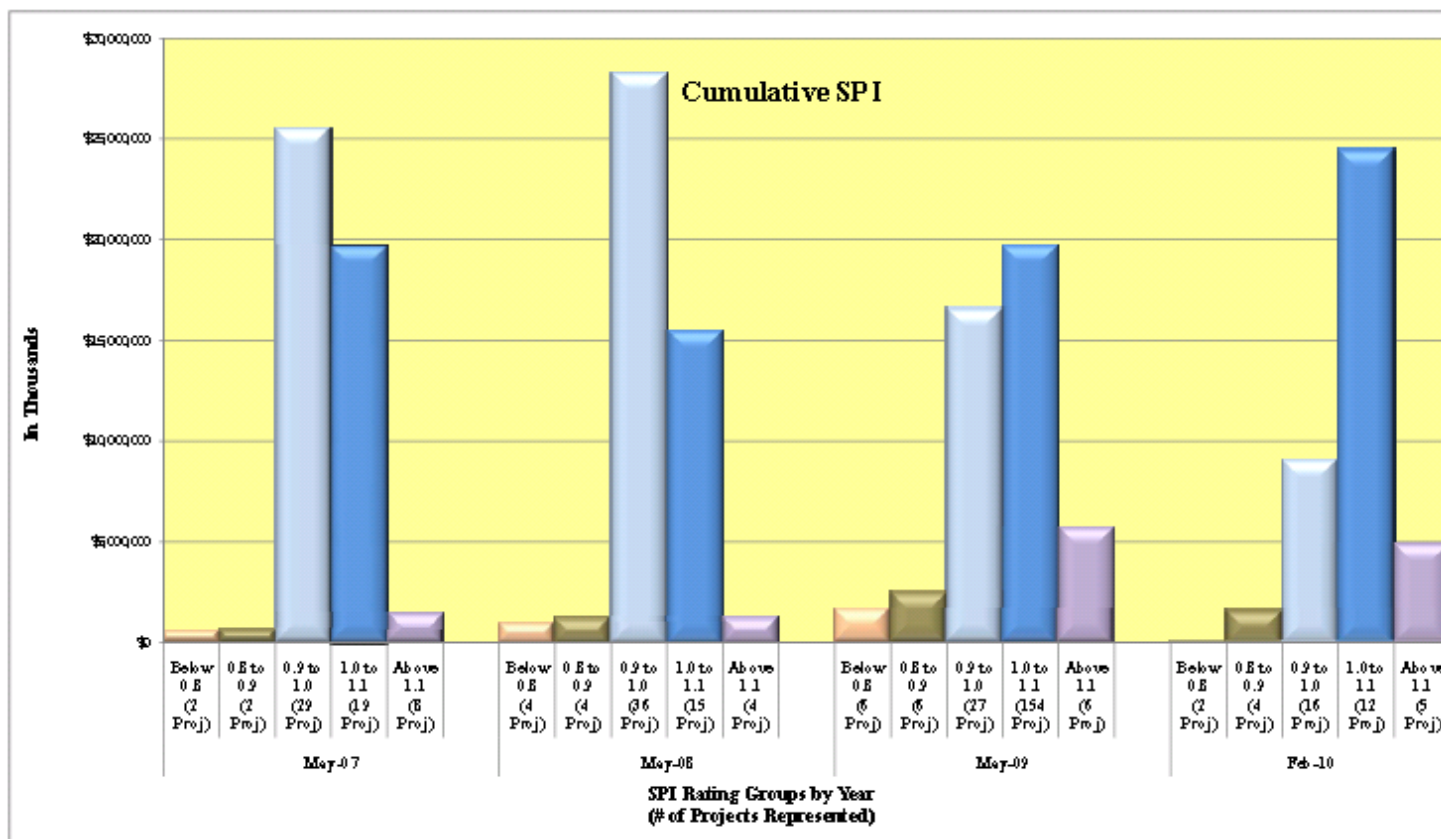
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EM Demonstrates Progress

- SPI improvement trend 2007 to 2010

(PBS data from PARS, pre-restructuring, against current baseline)



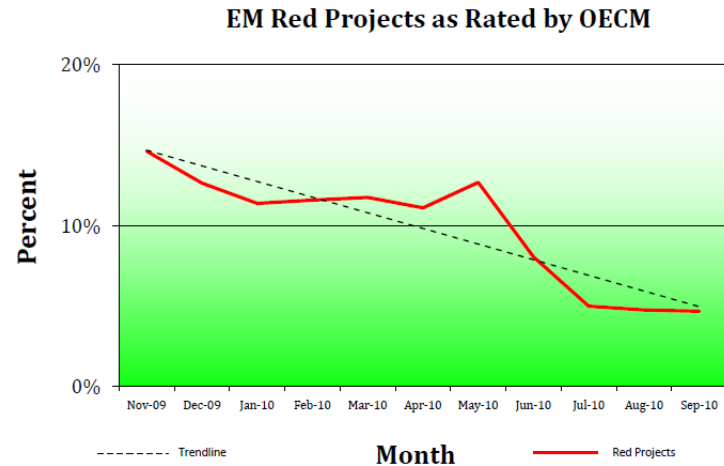
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EM Demonstrates Progress

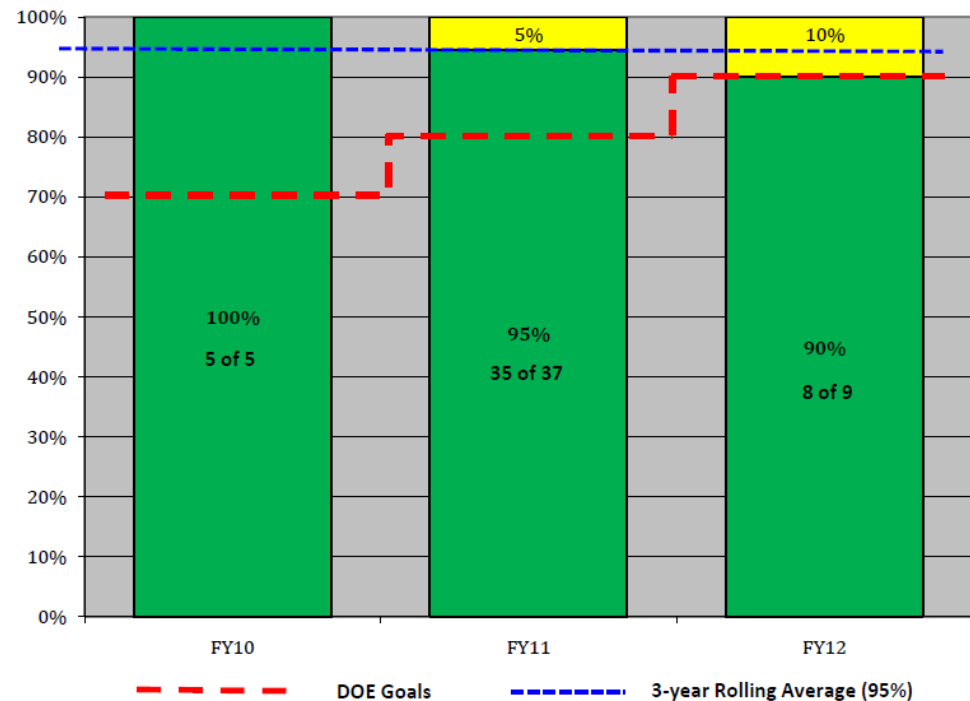
- Decrease in projects (12 to 3) during FY10 rated “Red”
- EM leads DOE in use of FAR Part 15 contracts
 - \$50M FP awarded at Oak Ridge
 - SR Liquid Waste acquisition strategy yields results
 - Accelerate life-cycle baseline by 6 years and reduce costs by \$3B
 - Close 20 tanks in 8 years as compared to baseline of 12 tanks
- Improvement on troubled projects
 - Salt Waste Processing Facility improved
 - Contract modified with balanced incentives and the current EAC well within TPC
 - Successful startup for Depleted Uranium Hexafluoride (DUF6) facility
 - Improving trend on Waste Treatment Plant



EM Demonstrates Progress

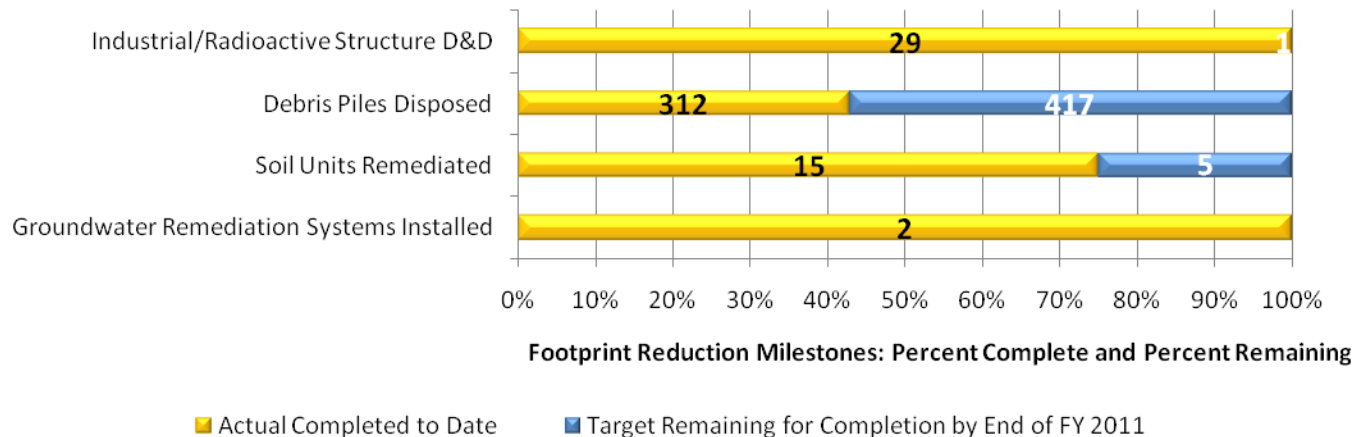
- EM FY10 Cleanup Project completions
 - 100% (5) met criteria
- OECM projections consider impact of FY08 Root Cause Analysis (RCA) actions
- Portfolio Restructuring offers more chances for success in FY11

EM Cleanup Project
Success Projections



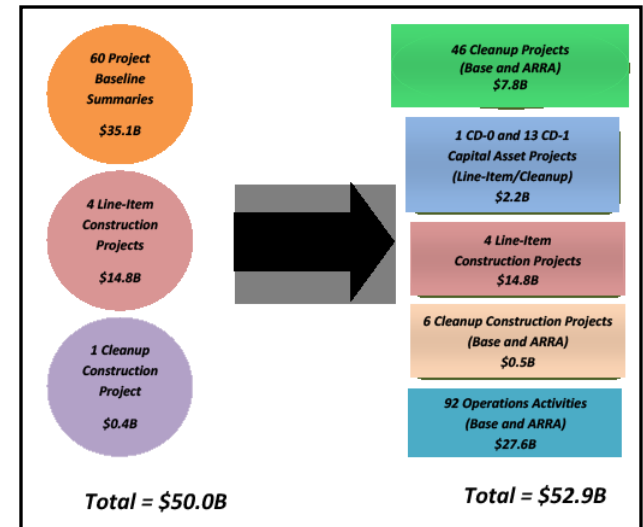
Exceptional Recovery Act Performance

- Recovery Act success shows how far EM has progressed
 - Challenge to apply \$6B quickly and well with multiple constraints
 - Led DOE jobs creation and spending in FY10
 - 99.996% obligation rate for funds
 - Exceeding metrics with predominantly “Green” performance
 - Unprecedented “open and transparent” communication



EM Commitment and Leadership

- EM-1 Congressional Testimony
- EM Portfolio Restructuring
 - Build on Recovery Act success
 - Provide better focus to management of Capital Projects
 - Provide more appropriate management of Operations Activities
- EM led DOE development of Risk Management Guide
- EM Business Model and Organization
 - “... stabilizing a single best and sustainable way of doing business ...”
 - “... place authorities and accountability closest to where the actual work occurs—in the Field...”
 - “... providing an “Advise-Assist-Assess” Headquarters paradigm...”



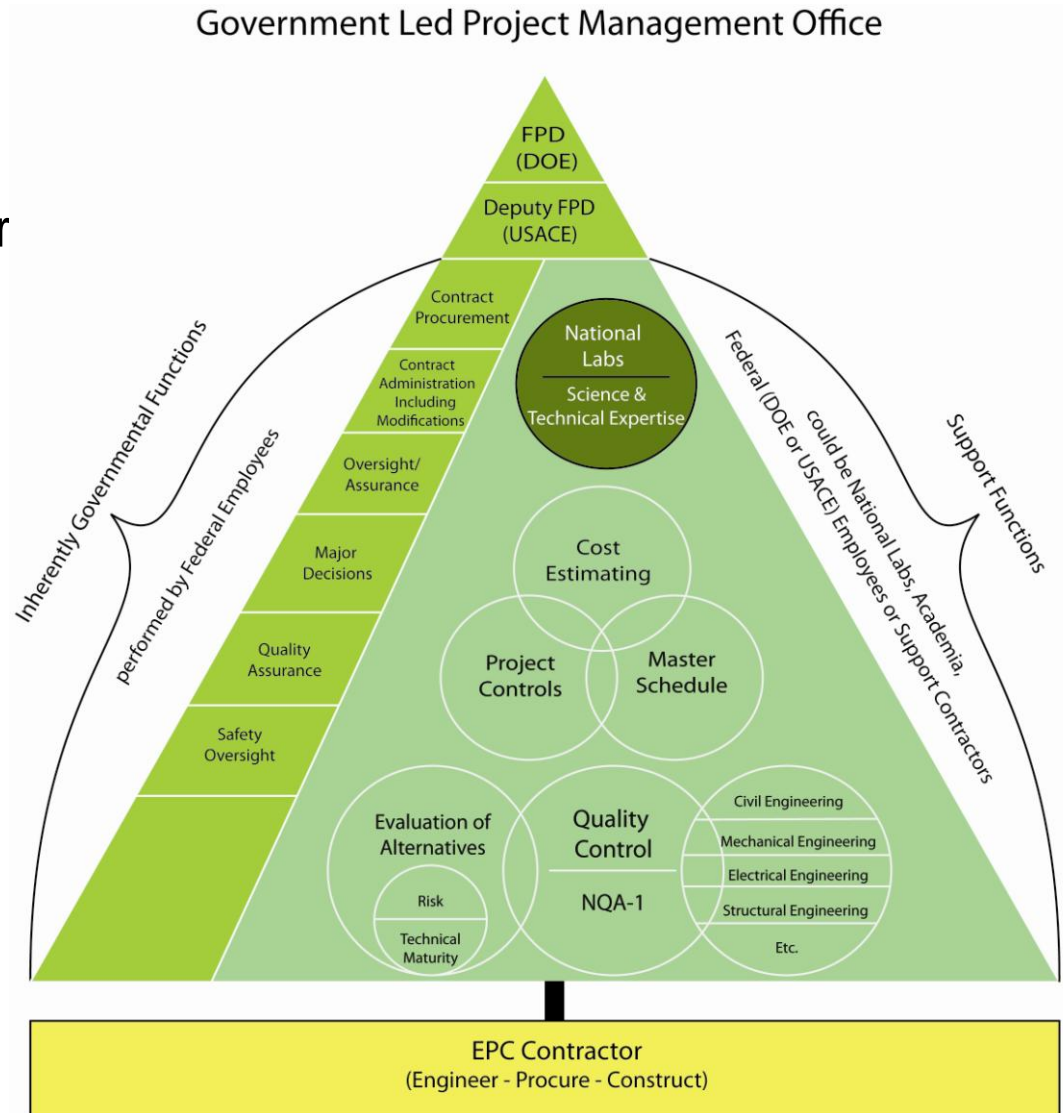
EM Capacity (people and resources)

- Completed staffing analysis – “...sufficient for current needs...”
- Project Management Partnership: US Army Corps of Engineers
 - Project management, project control, and quality assurance skills
 - Approx. 90 full time equivalents annually since 2007
 - One continuing and 2 new support contracts in 2010 to expand support
- Agreement with Seaborg Group for EM Technical Expert Group
 - Design review and high-caliber expertise for technical analysis
 - Access National Laboratories and their resources
- Chief Scientist position supporting EM-1
- Federal Project Director certifications = 94% @ reqd. level
- Acquisition professional certifications = 87% @ reqd. level
- Cost Estimating Center of Excellence established at EMCBC
 - All Recovery Act contract modifications received cost review



EM Capacity (people and resources)

- “Owner’s Representative”
Project Mgmt. Office
 - EM Federal Project Director
 - USACE Deputy FPD
- Three line item projects
 - SWPF (SR)
 - SBWF (ID)
 - U-233 Downblend (OR)
- Goal to achieve more productive use of USACE staff and experience



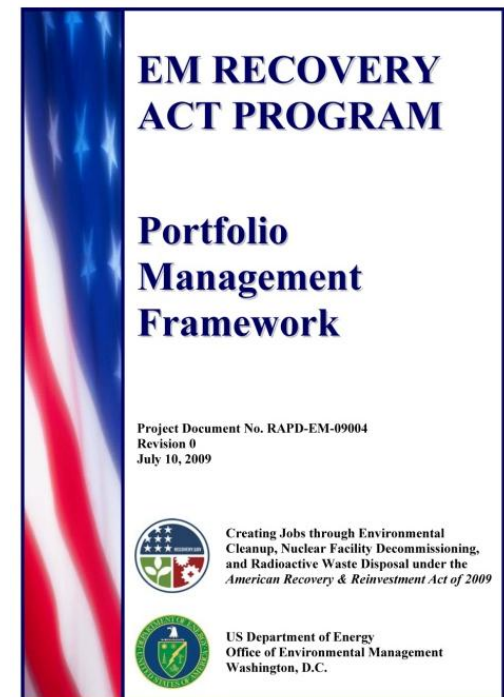
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EM Corrective Action Plan

- EM Corrective Action Plan – August 2009
 - Combined all previous plan and initiatives
 - Source for continuous project and contract management improvement
 - Report provides update on EM CAP action completions
- Metrics for Operations Activities
- Recovery Act Framework Document
 - Built on history of project and contract management improvements
 - Incubator for total EM portfolio improvements



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EM Monitoring and Validation

- Independent reviews dramatically increased
 - All Recovery Act scope had EIR, IPR or Program Review
 - Five acquisition management reviews in 2009 (V&V in 2010)
 - EM leads DOE in use of Project Definition Rating Index (PDRI)
- Quality Assurance program implemented
(ongoing assessment and effectiveness verification in FY11)
- Monthly Review for Capital Projects and Operations Activities
- EVMS certifications
for over 80% of EM projects
- Construction Project
Reviews (CPR) in 2010
(continuing on six month cycle)

Construction Projects with at least one CPR

- Waste Treatment Plant (WTP)
- Sodium Bearing Waste Treatment (SBWT)
- Salt Waste Processing Facility (SWPF)
- DUF 6
- U-233 Disposition (U-233)
- Plutonium Preparation (PuPP)

Clean-Up Projects with at least one CPR

- East Tennessee Technology Park – K-25 D&D
- SPRU

Upcoming CPRs for next three months

- U-233
- Savannah River Site – Tank 48
- DUF6
- SBWT
- WTP



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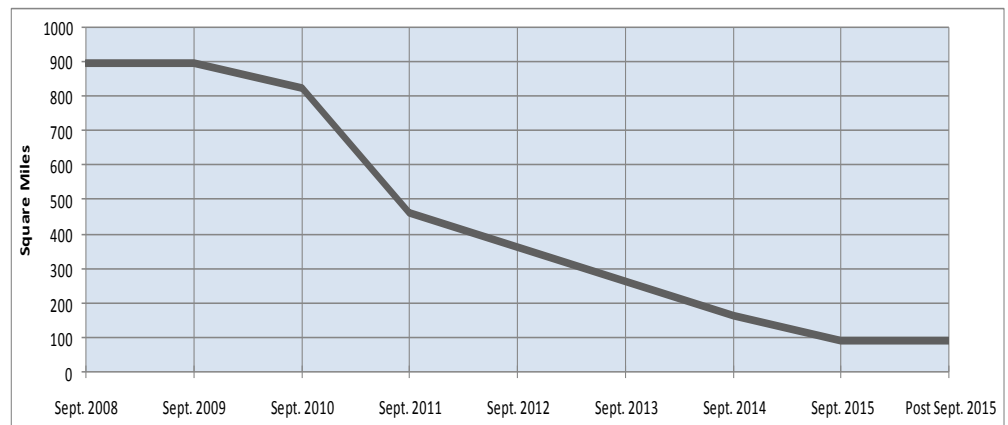
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The Field Delivers the Performance

- Actively manage the projects and operations activities
 - Baseline change control
 - Contract REA administration
 - Accurate and timely reporting and issue resolution
 - Focus on “Green”
- Make the Recovery Act projects and operations a success
- Advertise our success – “Glass (much more than) half full”
- Unified message to all

•EM footprint will be reduced from 900 sq. mi. to approximately 450 sq. mi. (approx. 40 to 50 percent) by Sept. 2011, and to about 90 sq. mi. (approx. 80 to 90 percent) of the initial footprint) by Sept. 2015.

Footprint Reduction – High Priority Performance Goal



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Our Key Messages

- ✓ EM Project and Contract Management has come a long way ...and continues to improve.
- ✓ Recovery Act provided opportunity to showcase our progress ... and served as springboard for continued innovation.
- ✓ EM has demonstrated success against GAO High Risk Criteria ... and will continue to deliver effective project and contract management with sustainable processes and systems.



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